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ABSTRACT

The Fremont, California City Council placed a measure on a June 1989 ballot that asked residents whether a tax should be levied to pay for child care services. The measure was devised in response to the conclusion of a task force that had been appointed by the council to study child care. The task force concluded that there was an extreme shortage of affordable child care and the shortage would continue because of the large number of people expected to move into the city in the next decade. In an attempt to avoid placing the financial burden of child care exclusively on real estate developers, the council worked with city staff to design a plan to levy a $12 a year property tax on all residential dwelling units; to add a 20 percent surcharge to business taxes; and to impose a new developer fee. Proponents of the measure campaigned on the issues of safety, city prestige, and the low cost of the proposal. Opponents argued that the measure was too costly, poorly conceived, and inadequate. This paper reports on interviews with local policymakers and results of an exit poll conducted on election day. The paper concludes by identifying reasons why the measure lost by a four to one margin. (RH)

Financing Child Care Through Local Taxes: One City's Bold Attempt

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Abstract

The Fremont, California City Council placed a measure on the June 1989 ballot asking residents whether a tax should be levied to pay for child care services. It was the country's first city election ever held on the issue and it brought the policy debate on child care into the political arena. Reporting on interviews with local policy makers and the results of an exit poll conducted on election day, the paper concludes that the reasons why the measure lost by 4 to 1 margin were that the city overestimated the shortage of child care slots, that supporters of the measure underestimated the opposition, and that the city council and public opinion polls overestimated the willingness of the voting population to pay for public support of child care.

I. INTRODUCTION

Cities have become increasingly involved in issues concerning child care (Kahn and Kamerman, 1987). More than ever, residents are turning to City Hall for help in solving the chronic shortage of affordable, quality child care. Although interest and commitment are high among cities that have begun to work on the problem, to date there has been little progress in creating new funding sources.

One city that attempted to create a new source of funds for child care is Fremont, California, a city of 165,000 located near the southeastern end of the San Francisco Bay.[1] In June 1989, in a special election called for that purpose, Fremont voters were asked to vote on whether a $12 per year property tax should be levied on all residential dwelling units to pay for child care services.

From the time the Fremont City Council initially decided to place the measure on the ballot in February 1988 and the election, it would have been reasonable to predict voter approval. Fremont had appointed a task force on child care in June 1986 and the task force report, issued in October 1987, had identified a shortage of 10,108 licensed child care slots for children 0 to 14. One might have expected that the parents of these children would constitute a strong block of voters in favor of the measure.

Moreover, public opinion polls seemed to indicate overwhelming support for child care initiatives:

* A 1985 California poll of households with at least one child 13 or younger found that 61 percent supported state involvement in child care even if it required additional taxes (Gallup, 1985).

* A 1988 national Gallup poll showed that 70 percent of the respondents favored before- and after-school programs at local public schools (Gallup and Elam, 1988).

* A 1989 national Harris poll found that 66 percent of the public felt that the federal government should establish and pay for programs to set up child-care centers (Harris, 1989).

Yet, the Fremont tax initiative was overwhelmingly defeated. With 20.9 percent of the electorate voting, more than three-fourths (77.6 percent) opposed the measure, with only 3,678 votes cast in its favor. This paper addresses two questions about the election: (1) Why did the Fremont City Council place the measure on the ballot? and (2) Why did the voters reject it? In answering these questions we draw on concepts from sociological theories of decision-making in organizations and economic theories of shortages and externalities.

The data for this study are both qualitative and quantitative. In the six months prior to the election, we read campaign literature and media reports, attended campaign meetings, and conducted 22 interviews with Fremont City Council-members, city staff, campaigns committee members, and leaders of community organizations. Interviewees were selected on the basis of their knowledge of how and why decisions were made concerning

the measure. In addition, on election day we conducted an exit poll to learn why people in Fremont voted as they did. This paper reports several statistical analyses of those data.

II. THE DECISION TO PLACE A CHILD CARE TAX MEASURE ON THE BALLOT

In June 1986, the Fremont City Council appointed a task force to study child care. Eight Northern California cities, including San Francisco, Oakland, and San Jose, had appointed similar citizen task forces. Thus, the action by Fremont was not particularly novel. The task force issued its report in October 1987 (City of Fremont, 1987).[2]

The report concluded that (1) there was an extreme shortage of affordable child care and (2) the shortage would continue to grow because of the large number of people expected to move into the city in the next decade. Of the shortage of 10,108 licensed slots for children 0 to 14, 1,826 were for children 0 to 5, 3,130 were for children 6 to 9, and 5,152 were for children 10 to 14 (City of Fremont, 1987, p. 9, Table 2). As a result of both residential and industrial growth, the city was said to need an additional 870 licensed slots each year for the foreseeable future.

Between October 1987 and February 1988, the city council studied the task force report and investigated ways to fund its recommendations. These recommendations included purchasing portable structures for before- and after-school care, starting a voucher program for low income families, and hiring a child care

coordinator. The report did not discuss potential sources of funds to pay for the programs it suggested.

Councilmembers told us that foremost in their minds in making their decision about the tax measure was that the financial burden for new child care not fall soley on commercial real estate developers, which is how several other California cities (San Francisco, Concord, San Ramon, and Santa Monica) help fund their child care programs. Working with city staff, the council devised a plan that would have the city contribute from existing revenues while new revenues would be collected from three segments of the community: residents, businesses, and developers. A $12 per year property tax would be levied on all residential dwelling units, a 20 percent surcharge would be added to business taxes, and a new developer fee would be imposed.

Voter approval to impose the developer fee was not required, but California law mandates that any new tax or tax increase be approved by the voters.[3] The council projected a yearly revenue from the two tax measures of $1.1 million. In addition, the developer fee was estimated to yield $350,000 per year, and the city would add another $350,000 per year from its general fund. Thus, a total of $1.8 million annually was earmarked to pay for what would have been one of the country's most comprehensive municipal child care programs.

The funds were to be spent as follows: portable facilities on every elementary school site for before- and after-school care (38%); vouchers to low-income working parents (26%); innovative

projects (12%); administration (9%); sick care (8%); recruitment and training of child care workers (5%); and employer technical assistance (2%). The portable facilities were to be purchased by the city while the programs would be run by outside providers, selected by competitive bidding. Providers would set the cost to be charged to users of the program.

Originally, the measure was to be on the November 1988 ballot. However, the city attorney was unable to make a ruling in time as to whether, in order to satisfy legal requirements, the measure needed to pass by a simple majority or a two-thirds majority. Rather than waiting a full year and placing the measure on the November 1989 ballot when the city council elections would be held, the council called for a special election in June 1989.[4] The other option was to wait until the 1990 elections, but the council did not want to wait two years to implement the plan.

When the mayor and the four councilmembers first discussed the idea of having the city become more involved in child care--including holding an election--all five were in support. However, by the time the measure was to be placed on the ballot, opposition had surfaced and the council was divided. Opponents argued that the measure discriminated against mothers who chose to stay home and raise their children. In addition, opponents pointed out that church-based centers, which provide approximately one-fifth of the child care in Fremont, could not legally receive funds from the tax. When the council voted to

put the measure on the ballot, one councilmember voted negatively because he believed it did not clearly specify how the money would be spent. A second councilmember, while voting yes, stated that he was neutral on the issue. That left the mayor and two councilmembers in support.

Fearing that a general tax measure (which needed only a majority for passage), might be subverted by future city councils that could, in theory, earmark the funds for purposes other than child care, the small group of volunteers that had organized to coordinate the campaign's activities requested that the city council place a specific tax measure on the ballot. The council acquiesced and voted to require that the measure receive a two-thirds majority for passage.[5]

III. THE CAMPAIGN AND THE ELECTION

As is true in any campaign, the merits of the child care proposal could not be separated easily from its context. Thus, some community leaders and organizations took sides based solely on what their allies or foes did. Leaders of liberal groups generally supported the measure, while leaders of conservative political and religious groups generally opposed. Opponents successfully lobbied organizations like the Chamber of Commerce and the school district to stay neutral. Although the issue received frequent mention in the local press, the campaign never gained the interest of a large number of people. Except for a flurry of mailings the last week of the election, the campaign

was fairly subdued. Supporters of the measure spent $30,000, while opponents spent $10,000. The city council majority approved the printing and mailing of 65,000 informational brochures at a cost of approximately $16,000. Opponents called the expenditure unfair and unethical.

Proponents of the measure used several themes in their campaign. One concerned safety: passage of the measure, they argued, would make the city safer for children. There had been three unsolved kidnappings in the surrounding area during the past year, and the media had given them extensive coverage. A second argument was that the world had changed and that both parents had to work in order to be able to afford to live in Fremont. Some proponents emphasized that passage of the measure would put Fremont on the map: Fremont--being the progressive and caring community it was--would lead the nation in creating a comprehensive program for children. In the end, however, the theme which was most often stressed was that the measure would cost only three pennies a day. Literature and street signs were printed consisting only of three large pennies and the words, "Yes On B." Consultants to the campaign believed that voters would be most concerned about paying new taxes, and that it was best to emphasize how little the measure would cost.

Conversely, the campaign themes of the opponents were that the measure was too costly, that it was poorly conceived, and that children in Fremont deserved a better program. A lemon became their campaign symbol and was prominently displayed on

their flyers and street signs. The opponents pegged the measure "The 27 Million Dollar Lemon," a figure arrived at by multiplying the total annual cost of the program--$1.8 million--by the 15-year life of the program. They also argued that too little money would go to help low-income families, that seniors should be exempt from paying the tax, that parents who can afford child care should not be subsidized by taxpayer dollars, and that the true cost of the program was being disguised.

After the measure's landslide 77.6 to 22.4 percent defeat, the city council drastically scaled back its child care plan. The initial four classroom facilities that were to be paid for out of the general fund were cancelled. The child care coordinator was kept on board, but her duties are now mainly administrative. Sick care programs, specialized training of child care workers, and other innovative projects were cancelled. There are no plans to impose a developer fee. Nearby cities which considered holding a similar election have dropped the idea.

In the November 1989 city elections, the mayor, who was a vocal supporter of the measure, was defeated by the councilmember who was neutral on the issue. A pro-child care measure councilmember was defeated, while the councilmember who opposed the measure won reelection. In their campaign against the mayor and the defeated councilmember, opponents included the child care issue in their list of instances where the liberal majority was out of touch with the public. However, it is difficult to know

how much the child care issue played a part in the election because no polls were taken. Both local newspapers interpreted the election as a victory for pro-growth candidates.[6] Most of the money for these candidates came from development and construction companies based outside of Fremont (San Jose Mercury, 1989).

IV. EXPLAINING VOTER BEHAVIOR

To gain an understanding of why people in Fremont voted as they did, an exit poll was conducted.[7] Using the population base from the voter turnout in the November 1987 Fremont City Council election, we estimated the required sample size at 430 voters.[8] Because a limited number of volunteers were available to conduct the exit poll, polling was restricted to eight precincts. Fremont is roughly divided into four distinct areas, and we randomly chose two precincts in each area. We polled throughout the hours of voting because there are significant differences among people who vote at different times of the day (Klorman, 1976). Questionnaires were handed out to voters with a frequency determined by the ratio of the sample size to be collected from each precinct to the total expected turnout at that precinct.[9] We used the standard format of exit poll questionnaires, with both closed-ended and open-ended questions (Busch and Lieske, 1985; Levy, 1983).[10] Appendix I provides a copy of the exit poll questionnaire.[11]

The actual vote in the eight precincts where we polled was

very close to the vote in the city as a whole (76.6 percent of the voters voted no in the eight precincts as compared to 77.6 percent in the city as a whole.) Moreover, responses on the exit poll reproduced the actual election results quite closely. Of our respondents, 74.4 percent voted against the measure. With a standard error of 1.9 percent, this was within the 95 percent confidence level for sampling error.

On average, two questionnaires more per hour were collected at each precinct than was originally calculated, so that our total sample size was 550. Of these, 19 were not useable, leaving 531 questionnaires for the analysis. It is always difficult to know the extent to which a sample is biased because people who refuse to participate are different from those who respond. In this case, although we did not calculate refusal rates or attempt to formally take account of possible nonrespondent bias, volunteers did not report large numbers of people refusing to take part in the poll.

Table 1 gives information on the demographic characteristics of those who voted yes as compared to those who voted no. Comparing the yes and no voters, we found no significant differences in the two groups by marital status, ethnic/racial background, household income or number of children 6 to 13. We did find significant differences in the two groups by gender, age, education, political affiliation, and the presence of children under 6. More likely to vote yes were women, those 30 to 39, those with higher levels of education, those who were

Democrats, and those with children under age of 6.

(Table 1 here)

In Table 2, we report the results of one of the three ordinary least squares (OLS) regressions. OLS regressions are presented because of their relative ease of interpretation. We also ran a logit analysis.[12] All of the variables that were significant in the OLS regressions were also significant in the logit analysis.

In regression 1, we examine how much of the variance in voting behavior is explained by the demographic variables that were significant in Table 1. The dependent variable is dichotomous (voted no = 0; voted yes = 1). The independent variables are gender, age, education level, political party affiliation, and the presence of children under age 6. Gender is a dichotomous variable where male = 0 and female = 1. Age is measured on a five-point scale with 1 = 60 and over, 2 = 50 to 59, 3 = 40 to 49, 4 = 30 to 39 and 5 = 18 to 29. Education is measured on a four-point scale where 1 = some high school, 2 = high school graduate, 3 = some college, 4 = college graduate. Political affiliation is a dichotomous variable where 0 = all others (Republicans, Independents and Others) and 1 = Democrat. Children under 6 living at home is a dichotomous variable where 0 = no children and 1 = one or more children under 6 living at home.

These demographic variables do not explain much of the variance in voting behavior. As Table 2 indicates, the adjusted

R^2 for regression 1 was only .12. All of the demographic variables were significant, but when both age of respondent and the dichotomous variable for having young children were in the same regression, then only having young children was significant. Table 2 reports the regression where age of respondent is omitted from the equation.

(Table 2 here)

Table 3 lists the five closed-ended questions on the questionnaire. Respondents were asked whether they strongly agreed, somewhat agreed, were unsure, somewhat disagreed, or strongly disagreed with each statement. The table gives the percentages of respondents who strongly agreed and somewhat agreed with each statement, by total voters, those voting yes, and those voting no. About three-fourths (76 percent) of respondents agreed that taxes are too high already; eighty-two percent of those voting no agreed with this statement, and even among those voting yes, the majority (58 percent) agreed. Seventy-two percent of respondents agreed with the statement that child care should be paid for by parents, not by the whole community. This statement sharply differentiated between the yes and the no voters, with 88 percent of the no voters, but only 25 percent of the yes voters agreeing.

Fifty-eight percent of respondents said that child care was a major concern for them, including almost half (47 percent) of those who voted against the measure, and 90 percent of those who voted in favor. Yes and no voters had the same views about the

extent to which the measure allocated funds to poor families; about 40 percent (37 percent of those voting no and 38 percent of those voting yes) thought that the measure allocated too few funds to poor families. On the other hand, the final statement listed in Table 3, like the second statement, differentiated sharply among yes and no voters. Only 17 percent of those voting no, but 62 percent of those voting yes agreed with the statement that child care is a service that government should provide, much like other services. For the sample as a whole, only 28 percent viewed child care as a public good.

(Table 3 here)

Regressions 2 and 3 in Table 4 indicate the substantial effects of respondents' attitudes or philosophies on their voting behavior, holding constant the demographic variables entered in regression 1. In regression 2 the variable PARENTPAY measures respondents' degree of agreement (on a 5-point scale) with the statement that child care should be paid for by parents, not by the whole community. PARENTPAY has a significant coefficient, and its presence in the regression lowers the size of the coefficients on the demographic variables (as compared to regression 1). Overall, regression 2 has far more explanatory power than regression 1; it explains almost half of the variance in the vote (the adjusted R^2 is .44).

Similarly in regression 3, the variable GOVSERV is important. Measuring on a 5-point scale respondents' degree of agreement with the statement that child care is a service that

government should provide, much like other services, GOVSERV has a significant coefficient. As in regression 2, the coefficients on the demographic variables are reduced. GOVSERV is not quite as good a predictor of voting behavior as PARENTPAY; the adjusted R^2 in regression 3 is .30.

(Table 4 here)

Table 5 extends our understanding of voters' behavior by summarizing respondents' self-described chief reason for voting the way they did. Almost half (47 percent) of those who voted no gave as their main reason that the care of other people's children was not their responsibility. Of this 47 percent, almost half said they felt that care of children was the parents' responsibility, about one-third said that it was unfair that they should pay for someone else's children, and about 18 percent said that they were raising or had raised their own children and that other parents should do likewise.

Some examples of typical responses in this category were: "I don't think I should pay for people's kids to be babysat," "Parents should take responsibility for their own kids," and "We raised our kids with no tax help."

(Table 5 here)

Seventeen percent of those voting no said that their primary reason for doing so was that the measure was not well thought out. Typical comments were: "I had problems with it," "Not clear where the money would go" and "Administrative costs too high."

People who thought that government should not be involved in

child care (11 percent of those voting no) wrote, "I don't believe government should be so heavily involved in personal matters," "Opposed to government controls," and "Creeping socialism."

Only 11 percent of those voting against the measure gave as their primary reason for doing so the fact that taxes were already too high. Despite a Wall Street Journal editorial a few days after the election that cited the Fremont election as an example of how Americans agreed with President Bush's stand on no new taxes (Wall Street Journal, 1989), unwillingness to pay an additional $12 a year was not a major reason for the overwhelmingly negative vote on child care.

Six percent of those voting no said they did so because they felt no action was needed on child care. Their statements included: "Waste of money," "There's enough child care already," and "I disagree with the concept."

Under the category *miscellaneous opposition* (9 percent of those voting no), a few respondents stated that small businesses should not have to pay, a few said that employers should pay. Other responses included such statements as "It's a national problem," and "Centers would have to accept people they don't want."

Of those voting yes on the ballot measure, more than half (57 percent) of the respondents said either that a shortage of child care existed or that more child care was needed. Typical responses under this rubric were: "Child care is needed in

Fremont," and "I know how hard it is to find good child care."

In the category *measure helps kids and families*, 32 respondents specifically mentioned that more should be done for children, saying "I care about the welfare of children," while 17 respondents mentioned the needs of parents and families, stating "Parents need help."

V. DISCUSSION

A. The Task Force Report and the Concept of Shortage

The task force calculated the shortage of child care slots by estimating the number of children in Fremont whose mothers were in the labor force and subtracting from that estimate the number of children in two types of care: 1) informal care, such as relatives, in-home caregivers, or a parent who only works part-time, and 2) formal care in licensed centers and licensed family day care homes. Their estimation neglected to include the significant number of slots available through unlicensed care facilities.

This procedure resulted in an overestimation of the shortage facing Fremont.[13] Further, it is incorrect to assume, as the task force report did, that all of the parents whose children were in unlicensed care would have preferred licensed care. Some parents prefer unlicensed care, partly because it is generally cheaper than licensed care.

The definition of a shortage used by the task force is different from both the economic and the popular definitions of a

shortage. The economic definition of a shortage is the difference between the supply and demand for a good or service at a particular price. Using the economic definition, at current prices the number of licensed spaces (the task force's definition of supply) is an underestimate of the actual supply. Moreover, the number of children with working mothers (the task force's definition of demand) is an overestimate of the actual demand because at current prices many of these families do not have an effective demand (i.e., a want or need backed up by the willingness and ability to pay) for licensed spaces. Given the current prices of licensed child care, these parents prefer to use unlicensed care. Some of them might prefer unlicensed care even if formal care had a zero price.

The popular notion of a shortage is the difference between the number of people who want or need a good or service and the number of people who can buy it at the current price. But even under this definition, the task force report overestimates the shortage, for, again, it incorrectly assumes that regardless of price (i.e., even at zero price) all parents would want licensed child care for their children.

It may be that the task force argument was in reality an argument about the quality of care available, not about its quantity. That is, the shortage may have been viewed not so much as a shortage of spaces but as a shortage of good or high quality spaces. But even viewed in this way, the task force estimates are unreliable, for their report makes the unwarranted assumption

that licensed spaces are superior in quality to those that are unlicensed. In California, as in most states, licensing certifies that certain health and safety standards have been met; it does not certify the quality of the caregiver or the child care program.

There is a second way in which the task force figures were misleading. By including school-age children in the overall totals, the number of children the task force said needed child care was substantially increased. Using the previously mentioned method to calculate supply and demand, the task force determined that over 8,800 children from ages 6 to 14 were in need of child care, with only 500 licensed slots available within the city. That is, of the approximately 10,000 slots the report thought were needed, about four-fifths were for school-age children.

By relying on the task force definitions and estimates of the shortage, the city council had an inflated view of the problem of the number of child care spaces needed in Fremont. This may have created a "state of crisis" within City Hall, which compelled the council to take some dramatic action.

B. The City Council Decision

In seeking to understand the council's decision to place a tax measure on the ballot, we find the garbage can theory of organization decision-making (Cohen, March & Olsen, 1972; March and Olsen, 1976) a useful explanation of the city council's behavior. This theory views organizations as "organized

anarchies" and argues that far from reaching a conclusion after studying a problem, decision-makers first arrive at a course of action (a solution) and only afterwards discover and describe the problem it was meant to solve. In the words of Cohen, March, and Olsen (1972), "An organization is a collection of choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions looking for issues to which they might be the answer, and decision-makers looking for work" (p.2).

Decision-making inside Fremont City Hall is far less complex than that in the large corporations, universities, or the federal government studied by garbage can theorists.[14] However, certain elements of the garbage can model were clearly in operation. The council appears to have begun with a solution (hold an election), and from there worked backwards to define the specific problems and objectives.[15] The following are two examples of this behavior:

1) The council called for a new tax before knowing how much was needed to be raised. Initially, the council had decided on an annual tax of $15, but it was later changed to $12 because it sounded better to have the program cost $1 a month.

2) The council saw part of the measure as a solution to something that few thought was a problem. As designed, one-third of all revenues were designated for school-age child care by placing portable classrooms on all elementary school sites. However, after the council placed the measure on the ballot, the

school district stayed neutral on the issue, several schools could not accommodate and/or did not want the portables, the PTA opposed the measure, and the cost of the portables was much higher than originally thought.

During the speech the mayor gave after the election, he seemed to understand how poor the decision-making process was. In words that describe how solutions do not always fit problems, he said:

> I believe there was a three-way failure of leadership. The council's and mine, the city's as an entity, and the campaign's. Because we never, ever, convinced the city there was a need... The PTA opposed the measure. Tell me, how do PTAs oppose child care? The school district, on whose sites we were going to put these facilities [did not support it]. We didn't even convince the people who needed day care... We spent a whole lot of energy and effort dealing with how are we going to solve the problem for a problem people didn't know existed (Morrison, 1989).

The garbage can model may be contrasted with the inputs-outputs model which assumes that decision makers behave "rationally," taking inputs from the environment (opinions and wants of interest groups and constituents) and transforming them into outputs (policies and laws).[16] From our interviews with Fremont councilmembers, city administrators, consultants to the Child Care Task Force, and campaign leaders, we conclude that the council's actions were not in accordance with an inputs-outputs model. The council's decision to hold an election evolved from several closed-door council sessions. None of our informants recalled any pressure from the public in general or from particular interest groups. It was only after the council made

its decision on the election that volunteers were recruited by several councilmembers to form a campaign committee.

That the city council wished to take some action on child care is perhaps not surprising. A national survey by the National League of Cities (1989) revealed that in 1988 elected city officials listed child care as the most pressing issue facing families. What is surprising is not the council's decision to tackle the issue, but the magnitude of its involvement.

In essence, the council went from having no child care policy to proposing one that was one of the most comprehensive and expensive in the country. In general, when governments deal with social problems they move incrementally. This is because policy makers are reluctant to propose policy changes that differ radically from the status quo.[17] Instead, they consider a small number of alternatives whose anticipated consequences differ only incrementally from existing policy. With hindsight, it is clear that an incremental policy might have proved more effective in Fremont.

C. Child Care As A Public Good

The major reason for the failure of the Fremont tax measure is that voters did not view child care as an external benefit or public good. Voters support public services when they see those services as being unavailable through the private sector or when they see those services as providing benefits to the community at

large (Hahn and Kamieniecki, 1987). The vast majority of respondents to the exit poll voted against the measure because they viewed child care as a private benefit that should be paid for by parents.

A close reading of the results of national polls indicates that this view of child care as a private benefit is widespread. Even when respondents say they are in favor of child care in the abstract, when they are asked what they are willing to pay for, their answers reflect an ideology that is quite different than, for example, their views about who should pay for primary and secondary education.

Primary and secondary education are seen as having significant externalities so that no matter how high parents' income might be, voters view it as proper for children's primary and secondary education to be paid for from public coffers. Respondents' thinking on child care is quite far from such a view.

Some examples: In the 1989 Harris poll, although 66 percent of respondents felt the federal government should establish and pay for programs to set up child care centers, 53 percent of all respondents felt that it was unfair for subsidies to be used for child care centers which cater to children of two-income families. Similarly, in the 1988 Gallup poll, although 70 percent of respondents favored before and after school programs at local public schools, approximately one-half of those 70 percent said that parents should pay for the programs, while only

about one-third said the funds should come from school taxes.

In the 1985 California poll, although 61 percent of those with at least one child under 13 favored state involvement in child care even if it required additional taxes, only 54 percent of the respondents favored using space in the public schools for child care programs. This is significant because all of these respondents had at least one child under age 13. If only half of this group supported using schools for child care programs, it is probable that support in the general population was even less, perhaps substantially less.

The basic building blocks for viewing child care as a public good have been laid out by economists. Strober (1975) argues that child care provides externalities through its educational and health components and by making it possible for women to plan careers and educational investments in themselves. She also argues that certain types of child care systems could provide external benefits to teenagers and retired people.

One of the least controversial arguments in favor of government subsidization of quality child care is that it provides early childhood education. Beyond increases in achievement and I.Q. scores, the benefits from a good preschool experience include early detection of mental and physical difficulties, the introduction of alternative forms of information and a wider scope of experiences, and the early opportunity for the child to enhance his or her self-confidence and self-esteem. As the U.S. birth rate continues to decrease,

it will be all the more important that each person be psychologically and intellectually able to contribute to society.

External benefits from quality child care also occur in the workplace. Companies report that child care helps increase morale, productivity, and quality of output, and helps decrease accident rates, absenteeism, tardiness, and turnover (Friedman, 1986).

Child care may also provide external benefits by reducing the cost of unemployment and welfare. One study showed that of 1200 parents questioned, one-fourth of all homemakers and unemployed parents said they were prevented from working or attending training sessions as a result of inadequate child care arrangements (Gallup, 1985). However, often those who are unemployed or are on welfare may have problems in addition to child care that keep them from holding a job.

If voters are to support subsidized child care at any level of government they need to be convinced that child care has external benefits. To avoid the type of defeat experienced by Fremont, public officials will need to better delineate the external benefits of child care and then make education of the voters on this matter a central part of their campaign strategy.

D. How Proponents and Opponents Explained the Defeat

Some proponents of the measure argued that the failure of the child care measure was due in part to the timing of the election, that had the election been held in conjunction with a

presidential or gubernatorial race, more voters favorable to the measure would have turned out for the vote. We think this argument is probably incorrect.

In a study of California propositions, the group which showed the largest decline in turnout in midterm and special elections was younger voters (Magleby, 1984). But in the Fremont election younger voters (those 18 - 29) were not much more supportive of the tax measure than were voters 40 and over. (See Table 1). Only voters 30-39 were significantly more supportive of the measure.

Moreover, as Magleby (1984) has shown, a heavy voter turnout does not necessarily mean that all voters will cast ballots on a particular measure or proposition. Often as many as one third of voters who cast ballots do not vote for all candidates or on all measures or propositions. Even if the child care election had been held in November 1988, in conjunction with a presidential race and 29 propositions and measures, voters in such an election who were lukewarm or confused about the child care measure might still have decided not to vote on it.

It appears that if voters feel strongly about an issue they will come out to vote even in an off-year election. In our analysis of voter records in Fremont, we found that half of those voting in the child care election in June 1989 had not gone to the polls in the November 1987 city council election--an election that, like the June 1989 election, did not coincide with any presidential or gubernatorial race. That is, half of the voters

in the June 1989 election were not core voters. This may indicate that people who opposed the measure would have been motivated to vote against it regardless of when the election was held.

It may be that the Fremont tax measure could have been more carefully crafted; certainly it could have been better explained. But we do not think that the opposition's contention that the measure was hopelessly flawed--that it was, in their terms, a lemon--was the reason for its defeat. Our exit poll indicates that only 17 percent of those who voted against the measure gave as their primary reason the fact that the measure was not well thought out.

The opposition's argument that the measure did not provide enough for poor families was also not, in our view, a major reason for the measure's defeat. Of the five closed-ended questions included in the exit poll, the one concerning poor families received the least support from respordents. Only 37 percent of those voting no thought that the measure did not allocate enough funds to poor families. Almost the same proportion of those voting yes felt this way. Moreover, in the open-ended question only six respondents listed inadequate allocation to poor families as the main reason for voting against the measure. We conclude that there is little evidence to suggest that the measure would have passed if more of the funds had been earmarked for low-income families.

Some have argued that the child care tax measure was

defeated in Fremont because the city is politically conservative. While this argument may provide comfort for other cities who think child care measures may pass more easily in their relatively more liberal environments, the fact is that Fremont is not particularly conservative politically.

Fifty-three percent of the voters are Democrats and 34 percent are Republicans, giving Fremont more registered Democrats than the statewide average of 51 percent. In the November 1988 election, Fremont supported George Bush over Michael Dukakis by a slightly smaller margin than the state's 51 to 48 percent margin. (Nationally, Bush received 54 percent of the vote.) Two years ago, a school bond measure failed to receive a two-thirds majority by less than four percentage points.[18]

To some degree, the timing of the election, problems with the particulars of the measure, and the political make up of Fremont played a role in the defeat of the measure. Yet these were not enough to explain a no vote of 77.6 percent. This is especially true since 58 percent of the respondents agreed with the statement that child care is a major concern for me.

VI. CONCLUSION

The child care measure in Fremont was not defeated by its opponents; it was defeated because those who supported it failed to make their case to the voters. Opponents' arguments that the measure was not well thought out, that it should have allocated more to the poor, and that taxes were already too high were not

the deciding factors for voters. Rather, the exit poll indicated that voters turned down the measure because they thought that the provision of child care for other people was not their responsibility; nor did they think it was a public responsibility.

The lessons to be drawn from the Fremont experience are important for policy makers and policy analysts interested in the politics and economics of child care. The conclusions from our study are as follows:

(1) The task force report's definition of a child care shortage was different from both the popular definition of a shortage and from the economic definition; the task force estimate of the demand for the number of slots required was far greater than would have been the case had they used either the popular definition or the economic definition. The report's overestimate was responsible, in part, for the city council's decision to place the issue on the ballot, and led them to a set of false expectations--the vast number of parents supposedly facing a shortage simply did not exist.

(2) The city council's decision-making process is well-described by the garbage can model of organizational behavior. Because the council followed this model, it failed to marshal interest groups in support of the measure, underestimated the opposition to the measure, and neglected to design a campaign that addressed concerns foremost on the voters' minds.

(3) Both the city council and public opinion polls

overestimated the willingness of the general population to pay for public support of child care. Our exit poll results indicate that the public does not yet see the extent to which child care can provide the kinds of benefits to a community that would warrant public subsidization. In order to win voter support for child care taxes, it is likely that future campaigns will have to address voters' concerns about non-parental responsibility and to reframe the debate so as to emphasize the external benefits of child care.

Table 1.
Demographic Characteristics of Those Voting No and Yes. Fremont Child Care Election Exit Poll.
Numbers and (Percentages).

	Those Voting No	Those Voting Yes
Total	395 (74.4)	136 (25.6)
Gender *		
Male	191 (80.3)	47 (19.7)
Female	198 (69.2)	88 (30.8)
Marital Status		
Married	333 (74.7)	113 (25.3)
Single	33 (76.7)	10 (23.3)
Divorced	16 (61.5)	10 (38.5)
Widowed	9 (81.8)	2 (18.2)
Age *		
60 +	71 (82.6)	15 (17.4)
50 - 59	92 (82.1)	20 (17.9)
40 - 49	104 (75.9)	33 (24.1)
30 - 39	93 (63.3)	54 (36.7)
18 - 29	34 (70.8)	14 (29.3)
Ethnic/Racial Background		
White	327 (74.8)	110 (25.2)
Hispanic	9 (56.3)	7 (43.8)
Asian	36 (75.0)	12 (25.0)
Black	12 (80.0)	3 (20.0)
Other	7 (70.0)	3 (30.0)
Education *		
Some High School	10 (90.9)	1 (9.1)
High School Grad	87 (85.3)	15 (14.7)
Some College	121 (77.6)	35 (22.4)
College Grad	175 (67.3)	85 (32.7)
Household Income		
$19,000 or less	33 (84.6)	6 (15.4)
$20,000 - $29,000	37 (77.1)	11 (22.9)
$30,000 - $39,000	71 (74.7)	24 (25.3)
$40,000 - $49,000	67 (76.1)	21 (23.9)
$50,000 or more	172 (70.8)	71 (29.2)

(cont.)

Political Party *		
Democrat	161 (64.9)	87 (35.1)
Republican	197 (83.5)	39 (16.5)
Independent	20 (74.1)	7 (25.9)
Other	8 (88.9)	1 (11.1)
Number of Children 5 or Younger *		
None	338 (78.8)	91 (21.2)
One	30 (51.7)	28 (48.3)
Two	24 (61.5)	15 (38.5)
Three	3 (60.0)	2 (40.0)
Number of Children Between 6 and 13		
None	294 (74.6)	100 (25.4)
One	67 (75.3)	22 (24.7)
Two	27 (71.1)	11 (28.9)
Three	6 (75.0)	2 (25.0)

* Using a chi-square test, the difference between no and yes voters is significant ($p < .01$).

Table 2.
The Effects of Demographic and Attitude Variables on How Respondents Voted[a] (OLS Regression).

Variables	Coefficients in Regression Model #1
Gender	.09 *
Education	.09 **
Democrat	.18 **
Children Under Age 6	.19 **
Constant	-.21 **
Adjusted R^2	.12
F	17.97 **

a. Dependent variable is how voted, (no = 0, yes = 1).

** p < .01
* p < .05

Table 3.
Agreement with Statements on Child Care of All Voters, Those Voting No, and Those Voting Yes, in Percentages.

	Agreement with Statement		
	All Voters	Those Voting No	Those Voting Yes
Taxes are too high already.	76%	82%	58%
Child care should be paid for by parents, not by the whole community.	72%	88%	25%
Child care is a major concern for me.	58%	47%	90%
The measure does not allocate enough child care funds to families who are poor.	38%	37%	38%
Child care is a service that government should provide, much like other services.	28%	17%	62%

Table 4.

The Effects of Demographic and Attitude Variables on How Respondents Voted[a] (OLS Regressions).

Variables	Coefficients in Regression Models #2 and #3	
	#2	#3
Gender	.04	.05
Education	.05 **	.08 **
Democrat	.06 *	.10 **
Children Under Age 6	.09 *	.14 **
PARENTPAY	.20 **	--
GOVSERV	--	-.14 **
Constant	-.36 **	.41 **
Adjusted R^2	.44	.30
F	86.66 **	45.33 **

a. Dependent variable is how voted, (no = 0, yes = 1).

** $p < .01$
* $p < .05$

Table 5.
Respondents' Self-Described Chief Reason as to Why They Voted As They Did.
Numbers and (Percentages).

Of Those Voting No:	No. of responses/Percent of Those Voting No	
Not my responsibility	162	(47%)
Measure not well thought out	58	(17%)
Against government involvement	38	(11%)
Against higher taxes	37	(11%)
No action is needed	21	(6%)
Miscellaneous opposition	30	(9%)
Total *	346	

Of Those Voting Yes:	No. of responses/Percent of Those Voting Yes	
More child care is needed	72	(57%)
Measure helps kids & families	49	(39%)
Miscellaneous support	5	(4%)
Total	126	

Note: Responses do not add up to 531 because not all respondents answered the open-ended question.

* Percentages do not add up to 100% due to rounding.

Appendix I.

EXIT POLL

Thank you for volunteering to participate in this exit poll.
When you have finished, please fold and place in the exit poll box.
Questionnaires will not be read until the polls are closed.

How did you vote on Measure B, the Child Care Measure? Yes ☐ No ☐

In your own words, please give the main reason why you voted as you did.

Do you agree or disagree with the following statements?
(circle one response for each question)

	Strongly Agree	Somewhat Agree	Unsure	Somewhat Disagree	Strongly Disagree
1. Child care is a major concern for me.	1	2	3	4	5
2. Taxes are too high already.	1	2	3	4	5
3. Child care should be paid for by parents, not by the whole community.	1	2	3	4	5
4. Child care is a service that government should provide, such like other services.	1	2	3	4	5
5. The measure does not allocate enough child care funds to families who are poor.	1	2	3	4	5

For statistical purposes only, we would appreciate very much if you would provide the following information.

Male ☐
Female ☐

Married ☐
Single ☐
Divorced ☐
Widowed ☐

Age:
18 - 29 ☐
30 - 39 ☐
40 - 49 ☐
50 - 59 ☐
60 + ☐

White ☐
Hispanic ☐
Asian ☐
Black ☐
Other ☐

Education:
College Graduate ☐
Some ☐
High School Graduate ☐
Some ☐

Household Income:
$19,000 or less ☐
$20,000 - $29,000 ☐
$30,000 - $39,000 ☐
$40,000 - $49,000 ☐
$50,000 or more ☐

Political Party:
Democrat ☐
Republican ☐
Independent ☐
Other ☐

Do you have children under age 13 living at home? Yes ☐ No ☐

If yes, what are their ages? _____

PLEASE FOLD AND PLACE IN EXIT POLL BOX

Thank you for your time

Conducted by Ken Yeager, a Ph.D. candidate at Stanford University.

Footnotes

1. According to city documents, Fremont is a modern boomtown, with the second fastest growth rate in California for cities over 100,000. Compared to California as a whole, demographic information shows that Fremont's population is somewhat younger, more affluent, and more white. The median age of its population in 1980 was 28.2 years, as compared to 29.9 years for California (Census Bureau, 1982, Table 14). The average per capita income in 1985 was $13,467, compared to $12,292 for California (Census Bureau, 1988, Table C). In 1980, 83.7 percent of its population was white, as compared to 76.2 percent for California (Census Bureau, 1988, Table C.)

2. A consulting firm that had worked with other cities on child care was hired to staff the task force. Although the Child Care Task Force had 38 members representing a broad cross-section of the community, meetings were not well attended. Before they could finish their report, the consultants had to arrange a time to interview the members, some of whom they had never met.

3. The tax measure contained a sunset clause providing that the taxes would end after 15 years unless re-approved by the voters.

4. The council reasoned correctly that voter turnout would be about the same in a June or November 1989 election because neither would coincide with presidential or gubernatorial races. Historically in Fremont, about 20 percent of the registered voters go to the polls in special elections, which, indeed, is what happened in the child care election.

5. Most political insiders believed that a two-thirds vote would be very difficult to get. Councilmembers who supported the measure were of two minds. On the one hand, they reasoned that in an election where the turnout would be low all that was needed for victory was a yes vote from the parents of the 10,000 children whom the Child Care Task Force had said were in need of the licensed child care slots. At the same time, they let it be known that they would view passage by a simple majority as a signal that the city was on the right course.

Several councilmembers had hoped that the Fremont Unified School District would decide to put a bond issue on the June ballot as well, but the school district chose to wait, in part, because they believed that the odds of their measure passing would be decreased by having another tax measure on the ballot. Except for a non-controversial measure put on by the council that made minor revisions in how the business tax was calculated, the child care measure stood alone on the ballot.

6. In many California cities, political lines are drawn between pro-growth and slow-growth factions. In general, pro-growth advocates believe that commercial and residential construction should occur without too many impediments, while slow-growth advocates believe that restricted zoning laws are needed to ensure that the city's character does not change too dramatically.

7. Exit polls are useful because they provide valuable information on the characteristics and behavior of voters (Levy, 1983). They have advantages over pre- and post-election surveys, and over analysis at the precinct level. These advantages include knowing how people voted after last minute shifts in voter sentiment, removal of post-election rationalization, and providing explicit information about voter attitudes that cannot be made from an ecological analysis of aggregated data.

8. The equation suggested by Mendenhall et al. to obtain such an estimate is:

$$n = \frac{Npq}{(N-1)D + pq}, \text{ where } D = \frac{B^2}{4}.$$

The proportion of population voting yes (p) was unknown; we used an estimate of 0.5. We also used a bound of .05 on the error of estimation (B). That calculation gave us a suggested sample size of 390. Since it is common for 10 percent of the questionnaires to be unusable, the sample size was increased to 430.

9. Because of negative sentiment in California over using exit polls to make predictions about results before the election is over, the questionnaire stated that the responses would not be read until the polls closed.

10. Although there are some disadvantages to using closed-ended questions, it has been found that voters who are in a hurry are more apt to complete questionnaires if less time is required of them. However, to guarantee that voter sentiment toward the issue was accurately captured, we also included one open-ended question on the questionnaire: "Please give the main reason why you voted as you did."

11. The questionnaire handed out to voters was printed on one side of an 8 x 14 sheet of paper.

12. Using logit analysis, the logit model fit reasonably well with likelihood ratio chi square = 27.8, with df = 20 (P = .114). The parameter estimates of the logit model are as follows:

Effect	Addition Coefficient	Multiplicative Coefficient
Howvote	1.34	3.82
Howvote by Educ		
High School	.81	2.26
Some College	.33	1.39
College	-.31	.73
Howvote by Gender	.26	1.30
Howvote by Democrat	.52	1.68
Howvote by Kids < 6	.46	1.60

The mean or overall effect is 3.82. The net effect of gender on how voted--other things equal--is a male will vote no by 1.30 to 1. Other things equal, someone with a high school education will vote no by 2.26 to 1, someone with some college will vote no by 1.39 to 1, and someone with a college degree with vote no .73 to 1. Other things equal, a non-Democrat will vote no by 1.70 to 1. Other things equal, someone with no children under 6 will vote no by 1.59 to 1.

13. Actually, the task force report regarded its own figures as underestimates of the need for spaces because their estimates were based on 1980 labor force participation rates and excluded the need for child care by people who work in Fremont but do not live there.

14. Fremont is run by a city-manager form of government, and councilmembers have relatively little control over the day-to-day operations. Four of the councilmembers have full-time jobs, and one is retired.

15. The garbage can theory may represent more the rule in political decision-making than is realized. In California for instance, it is becoming common practice for candidates running for statewide office to sponsor ballot initiatives as a way to entice voters of the same political party to turnout on election day. Thus, the decision to sponsor an initiative comes well before knowing what problem the initiative will solve. Often, these initiatives are poorly written and very ambiguous, which creates havoc when the courts try to interpret them after they have been approved by the voters.

16. For versions of this model, see Lindblom (1980); Edwards and Sharkansky (1978); and Cobb and Elder (1972).

17. The incremental explanation of policy-making stresses the complexity facing public officials when making decisions (See Kingdon, 1973; Lindblom, 1959; Edwards and Sharkansky, 1978). Public officials are bombarded with great quantities of information on new legislation, much of it contradictory. Often, they have only a minimal understanding of the issues. They are

under pressure not only from interest groups, but from their constituents, colleagues, and staff. They are also unsure of the short- and long-term implications of any decision they make. Under such circumstances, it is prudent to proceed cautiously and slowly.

18. This is not to imply that there is not a conservative political faction in Fremont. Although small in number, the conservatives are very active and politically astute. They helped organize the campaign against the measure because they believed, in part, that the child care initiative was yet another case of misguided action by the city council's liberal majority.

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